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SUBJECT: MEDIA REACTION: U.S.-ISRAEL U.S.-CHINA, IRAN, RUSSIA,
MOLDOVA

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- [1](#)1. Lead Stories Summary

One main item in today's print media centers is on the second quarter profits of Deutsche Bank. Other items are the meeting of the fact-finding committee that is investigating the Hypo Real Estate scandal and the question of who is going to pay for swine flu vaccinations. Editorials focused on Deutsche Bank's profits. ZDF-TV's early evening newscast heute and ARD-TV's early evening newscast Tagesschau opened with reports on the bailout program for the Hypo Real Estate bank.

- [1](#)2. (U.S.-Israel) Netanyahu-Mitchell Meeting

Under the headline "No Agreement Between Netanyahu and Mitchell," Frankfurter Allgemeine wrote: "U.S. Mideast envoy George Mitchell and Israel's Prime Minister Netanyahu did not reach a compromise in their talks on Tuesday on the demand of the international community for a complete stop of construction for Israeli settlements in the occupied territories. For the Palestinian government this is a precondition for a resumption of Palestinian peace talks with Israel."

"Settlement Question Unresolved," is the headline in Sueddeutsche Zeitung which wrote: "despite intense talks with officials of the Israeli government, U.S. special envoy for the Mideast, George Mitchell, did not succeed in achieving a breakthrough in the controversy over the expansion of Jewish settlements on the West Bank. Mitchell had met Palestinian President Abbas the night before. Members of Abbas's office said later that Mitchell conceded to Abbas that he had not yet achieved an agreement in his talks with officials of the Israeli government. According to these reports, Mitchell will meet Netanyahu again in August. Israeli media reported on Tuesday that Netanyahu is considering a three-month construction stop in order to signal to the U.S. government his

willingness for compromise."

Handelsblatt reported under the headline: "Netanyahu Does Not Make Concessions to Washington in Settlement Question," and wrote: "Israel's settlement policy continues to obstruct progress in the Middle East peace process. It is true that U.S. special envoy George Mitchell called a meeting with Israel's Premier Netanyahu to be 'very productive,' but the evening before, Mitchell stressed in a meeting with Palestinian President Abbas that there is still a gap between the United States and Israel concerning their view on the Middle East conflict. Israel's government has thus far not even demonstrated a willingness to stop the construction of Jewish settlements on Palestinian territory. Because of Israel's inflexible position, the peace talks with the Palestinians have been interrupted for four months now."

13. (U.S.-China) Washington Summit

Sueddeutsche reported on its front page under the headline: "Obama: Beijing is our Most Important Partner," and wrote that: "More than ever, the United States and China wants to seek cooperation. At the conclusion of their historic summit in Washington, top politicians from both sides said they wanted to stabilize the global economy together, stop looming climate change and stop the proliferation of nuclear weapons. In a keynote address, President Obama said that no other bilateral relationship in the world is as important as cooperation between Washington and Beijing.... Behind closed doors, Chinese officials reiterated their proposal of setting up a new global monetary system. The U.S. dollar as key currency should be replaced by a new artificial currency that is made up of different currencies. U.S. officials, however, reacted with restraint to the Chinese proposal. Treasury Secretary Geithner only said that his government would stand up for a greater say of China in the IMF. This would primarily weaken Europe's influence."

In an editorial Sueddeutsche opined: "We have hardly seen America acting in such a meek way. It is true, the United States did not kow-tow to the Chinese, but the Obama government ensnared the officials from China with surprisingly deep bows. The times are over when U.S. politicians gave the politicians from the Middle Kingdom lectures on the miserable state of human rights. The U.S. side also did not stick to the ritual to criticize China because of its monetary policy. Instead: Washington showed modesty, for Washington comprehends what it owes to China. Beijing has U.S. treasuries worth 800 billion dollars, and America is up to its ears in debt mostly financed by China. Secretary Clinton lauded Sino-U.S. dialogue as a new beginning and Barack Obama said both nations would make their mark on the 21st century. These were great words but it is totally open which balance of power both sides will find. But Americans and Chinese are self confident enough to squander any thoughts on third parties. At this summit, no one talked about Europe, the old world."

Frankfurter Allgemeine noted: "America and China are talking to each other, and in this context, we often hear the term 'partner.' But nobody should deceive himself, China is primarily a competitor. This becomes very obvious when talking about natural resources. But even politically China is pursuing a strategy that aims at dominance and control. For this reason alone, it would be wrong if the Americans declared its power policy relations with China a model of the future. Not everyone [of China's] neighbors is enthused about the prospect that China is becoming increasingly powerful. This includes U.S. allies. Even though major powers are willing to sacrifice the interests of their smaller partners in case of an emergency, Washington should keep in mind that it could need each friend it could get. And China should not only speak of responsibility, but also seize it, for instance, in North Korea, for instance, in the case of Iran."

14. (Iran) Western Reaction

Frankfurter Allgemeine judged on its front page under the headline: "The Dilemma of the West," that "it is true that the street protests in Iran have ebbed but the power struggle within the Islamic system is fiercer than any time before. This development about the Iranian presidential election must be seen against the background of President Obama's extended hand. The fear of a kind of Gorbachev, who is endangering the system by making overtures to the West, is

one important reason for preventing Moussavi's election victory. The West has a dilemma now. If it enters into talks with the Ahmadinejad government during the repression, it will stab the opposition in the back. In addition, it would lose its credibility as advocate of democracy and human rights. But if it clearly opposes the rulers in Tehran, it will lose the rest of the influence on Tehran it still has. And then the danger that Iran would soon have the ability to build the bomb can hardly be avoided. Iran is supposed to present a solution to the nuclear conflict before the G-20 meeting in September, as requested by the summit meeting in L'Aquila. What do we expect from Tehran now? That it gives up the enrichment of uranium, as a response of the UN Security Council demands? Tehran will not do this. Does Obama's extended hand mean that he is willing to ignore the UN decision? The West would be better advised to show restraint for the time being but continue to insist on the adherence to principles, on the release of political prisoners, on freedom of opinion and freedom of assembly and, at the same time, on maintaining its offer for talks. We cannot expect too much from Tehran for the time being."

15. (Russia) Influence on Central Asian Neighbors

Sueddeutsche Zeitung editorialized under the headline: "Russia's Satellites Are Leaving the Orbit," and judged: "Tajikistan's leader Rachmon has banned Russian as the second official language. This is a small nationalistic gesture to his people, but it is also a symbol of the growing self-confidence of the former Soviet republic. It may be possible that Rachmon has to rescind this step but then he will demand a price for it. This is an experience Moscow has had more frequently over the past few months. Russia's allies are standing up, forcing the vast Russian empire to make concessions that cost a lot of money and also part of its political power. And the economic crisis is now even intensifying the centrifugal forces in the so-called Community of Independent States (CIS). More than ever before Moscow must fight for influence among its historical partners and enter into difficult talks with each country.... It was Premier Putin who criticized the U.S. dominance in the world over the years and advocated instead a multipolar world. But at the latest since Barack Obama entered office, Russia has come closer to this goal. But at the same time, the classical Russian friends have adopted Putin's appeal, for it is their only chance to loosen the shackles of this crisis. And China and Europe are playing a central role since they have the financial instruments these states need to eliminate their economic dependence on Russia."

16. (Moldova) Re-Election

Tagesspiegel headlined: "Second Try in Moldova with Elections," and reported: "Today the approximately 32.5 million Moldovans are electing a new parliament in the poorest country in Europe. But it is questionable whether it will clearly resolve the power struggle between the governing communists or the opposition. But these elections are of great significance. They will decide who will succeed outgoing leader Vladimir Voronin and whether the country will orient itself toward Europe or Russia in the future.... The opposition stands for a rapprochement with the EU with the goal of a future membership, while the communists have pursued an increasingly pro-Russian course over the past months."

"Elections on Future Course of Europe's Poorhouse," is the headline in Sueddeutsche Zeitung, which reported: "This Wednesday, Moldova is making a second attempt to elect a parliament that is capable of acting. The latest opinion polls see the communists in the lead with 30 percent but the four opposition parties, which are all pushing for EU membership of Moldova, could reach a lead of five percent. Moldovan commentators are writing that the election will determine Moldova's future course: the Moldovans have to decide between a return to under Moscow's umbrella or a pro-European course. According to an opinion poll by the Institute for Public Policy in Chisinau, almost two-thirds advocate an EU accession, but two-thirds also describe Russia as a strategic partner."

Frankfurter Allgemeine carried a report under the headline: "Boundless Thirst for Power," and noted: "Moldova's communists are afraid of losing their power in the election on Wednesday. With a campaign of fear they are trying to counter this development. With all their power they are bracing themselves against the looming loss

of power. Even though the party of acting President Voronin is likely to become the strongest force in the election this Wednesday, its sole rule over Moldova is in jeopardy. It will have great difficulty winning the necessary three-fifths majority of the election of its state president."

BRADTKE